



COMMONWEALTH of VIRGINIA

Office of the Governor

Timothy M. Kaine
Governor

April 4, 2008

The Honorable C. Nelson Harris
Mayor, City of Roanoke

The Honorable Howard Packett
Mayor, City of Salem

The Honorable Charles Wagner
Chairman, County of Franklin

The Honorable Richard C. Flora
Chairman, County of Roanoke

The Honorable Don Assaid
Chairman, County of Botetourt

The Honorable Harrison Scott
Mayor, City of Covington

The Honorable Annette S. Perkins
Chair, County of Montgomery

The Honorable Bradley E. Grose
Mayor, Town of Vinton

The Honorable Helen A. Looney
Chairwoman, County of Craig

The Honorable Thomas L. Starnes
Mayor, City of Radford

The Honorable David W. Ingram
Chairman, County of Floyd

The Honorable Joseph L. Sheffey
Chairman, County of Pulaski

The Honorable Ron Rordam
Mayor, Town of Blacksburg

The Honorable Eric Gentry
Chairman, County of Giles

The Honorable Barbara Stafford
Mayor, Town of Pearisburg

Dear Mayors and Chairs:

In May of 2006, we met at the O. Winston Link transportation museum and celebrated our shared vision for transportation and economic development in Virginia. That shared vision includes world-class rail connections from the Port of Virginia to all regions of the Commonwealth and to all major markets in North America.

Our May 2006 celebration focused on the immediate importance of the Heartlands Corridor initiative to improve railroad tracks and tunnels in Virginia, West Virginia, Kentucky and Ohio in order to double freight rail capacity between the Port of Virginia and the industrial heartland of North America.

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Recognizing the success of the Virginia Inland Port in Front Royal, we also spoke about the need for an inland terminal in the Roanoke region—an investment that would maintain the Roanoke Valley as a major national and international transportation hub. We also spoke about the need to remove trucks from I-81 and how an inland terminal would help accomplish that goal.

In June of 2006, all fifteen local jurisdictions signed the attached letter of support for an inland terminal in the region as well as the overall Heartland Corridor program. You stated that "This exciting addition to the transportation needs of southwestern Virginia at a time when the world is shrinking due to globalization would be a boon regardless of its location in our area. Please know we are all committed to furthering Norfolk Southern's intention to build this type of facility." The Commonwealth agreed to work with the region to make our shared vision a reality.

After two years of hard work and rigorous analysis, the Roanoke region now has the opportunity, and the choice, to transform our shared vision into reality. Our progress to date is impressive and includes the following:

- Over \$200 million in rail improvements under construction in Virginia, West Virginia, and Ohio, all based a unique federal, state and private partnership program. These investments will link these states, and selected regions, to the global economy.
- An economic impact analysis projecting up to 2,900 jobs and up to \$71 million in annual tax revenues attributable to an inland terminal in the Roanoke region. The Swedwood Ikea furniture manufacturing development, for example, was based in part on the presumption of an inland terminal located in the Roanoke region.
- A feasibility study of ten potential sites, including a detailed analysis of the three strongest sites (one each in Montgomery County, Roanoke County and the City of Salem). After considerable effort, expense and local dialogue, the Elliston site is the only site in the Roanoke Region that meets the operational and safety needs of the private sector and the public benefit requirements of the Commonwealth.

The Department of Rail and Public Transportation will be sending you copies of all these reports under a separate cover. I urge you to read them in detail and to convene as a region within the next thirty days to discuss your shared vision for transportation and economic development. The Secretary of Transportation and the Director of Rail and Public Transportation will participate in those discussions at your invitation.

Being with you in 2006 at the O. Winston Link museum was a powerful reminder of the Roanoke region's historic role as a transportation hub that moved the North American economy. It is our hope that the Roanoke region will take this historic

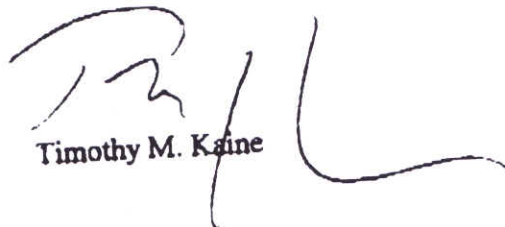
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opportunity to continue its role as an international transportation hub and make a choice that will take trucks off the highway, bring in new jobs, and save energy.

I hope that together we can continue to share and celebrate a common vision for transportation and economic development. We look forward to working with you.

Sincerely,



Timothy M. Kaine

Attachment

cc: Roanoke Area Legislative Delegation
The Honorable L. Preston Bryant, Jr. Secretary of Natural Resources
The Honorable Patrick O. Gottschalk, Secretary of Commerce and Trade
The Honorable Pierce R. Homer, Secretary of Transportation
The Honorable Matthew O. Tucker, Director of Rail and Public Transportation
Mr. Charles W. Moorman, Norfolk Southern

Mr. Charles W Moorman
Chief Executive Officer
Norfolk Southern
3 Commercial Place
Norfolk, Virginia 23510

Governor Tim M. Kaine
Office of the Governor
Patrick Henry Building, 3rd Floor
1111 East Broad Street
Richmond, Virginia 23219

Dear Sirs:

As the elected officials of the Roanoke and New River Valley, we want to express our support for the Heartland Corridor project and the Commonwealth of Virginia's commitment to this significant economic development project. This exciting addition to the transportation needs of southwestern Virginia at a time when the world is shrinking due to globalization would be a boon, regardless of its location in our area. Please know we are all committed to furthering Norfolk Southern's intention to build this type of facility.

The impacts of such a terminal would be so advantageous to this region, all officials have agreed to work together to assure the concept of the Heartland Corridor becomes reality. The success of this improvement crosses all jurisdictional boundaries and is crucial to the future of our two regions. It is anticipated that new companies will be attracted to the area based on the availability of direct shipment abroad. It is also our hope that the inland terminal will remove some traffic from Interstate 81, prolonging its viability in the region. The Heartland Corridor means jobs for our citizens, income for our education systems, a place in the world economy, and prosperity for years to come.

The jurisdictions of the Roanoke and New River Valleys welcome the opportunity to increase the economic activity of our regions through this exciting development and look forward to helping Norfolk Southern complete their vision of an inland port in this area.

C. Nelson Harris

C. Nelson Harris,
Mayor City of Roanoke

Michael A. Wray

Michael A. Wray, Chairman
Board of Supervisors County of Roanoke

Carl E. Tarpley, Jr.

Carl E. Tarpley, Jr.,
Mayor City of Salem

Wanda C. Wingo

Wanda C. Wingo, Chairman
Board of Supervisors County of Botetourt

W. Wayne Angell

W. Wayne Angell,
Board of Supervisors County of Franklin

Bradley E. Grose

Bradley E. Grose,
Mayor Town of Vinton

Norfolk Southern Corp.
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JUN 28 2006

VP Business Development

Office Of Chairman

JUN 28 2006

Helen A. Looney

Helen A. Looney, Chairwoman
Board of Supervisors County of Craig

Thomas L. Starnes

Thomas L. Starnes,
Mayor City of Radford

David W. Ingram

David W. Ingram, Chairman
Board of Supervisors County of Floyd

Joseph L. Sheffey

Joseph L. Sheffey, Chairman
Board of Supervisors County of Pulaski

Robert K. Bennett

Robert K. Bennett
Mayor City of Covington

Roger E. Hedgepeth

Roger E. Hedgepeth,
Mayor Town of Blacksburg

Steve L. Spradlin

Steve L. Spradlin, Chairman
Board of Supervisors County of Montgomery

Paul W. Baker

Paul W. Baker, Chairman
Board of Supervisors County of Giles

Barbara Stafford

Barbara Stafford
Mayor Town of Pearisburg